



January 13, 2006

Hampton Newsome
Federal Trade Commission/Office of the Secretary
Room H-135 (Annex O)
600 Pennsylvania Avenue, NW
Washington DC 20580
Re: Energy Labeling, Project No. R511994

Dear Mr. Newsome:

The Consortium for Energy Efficiency (CEE) would like to thank the Federal Trade Commission (FTC) for the opportunity to submit comments on the Appliance Labeling Rule and the EnergyGuide label. CEE has examined this question through our Appliance Committee (Committee.) The Committee consists of managers of voluntary appliance energy efficiency programs at CEE member organizations in the US and Canada. As a result, these comments incorporate the perspective of those who seek to increase the efficiency of residential appliances by impacting consumer purchasing decisions through education, rebates, or other means. The following comments are limited in scope to those issues which impact the following residential appliances: clothes washers, dishwashers, refrigerators, and room air conditioners. The organizations listed below have asked to be included in this letter. Committee members Pacific Gas & Electric and ACEEE do not share all the views expressed in this letter.

Benefit of the EnergyGuide

While CEE members rely upon the ENERGY STAR label as a primary resource in their efficiency program activities, there is a strong belief among members that the EnergyGuide label is an important tool to inform consumers of the efficiency of home appliances. In addition, the Committee considers that the data collection and dissemination activities undertaken by the FTC to support the EnergyGuide label provide important baseline information that they use in designing effective efficiency programs.

In addition, the recent exemption that the FTC issued allowing manufacturers to place the ENERGY STAR label on the EnergyGuide label of qualifying products allows for product differentiation that is complementary to CEE member efforts to increase sales of ENERGY STAR-qualified products.

Scope of the EnergyGuide

In response to the FTC's questions regarding the efficacy of the EnergyGuide label, we believe that the label would be most effective if its scope were expanded to cover those products that are the largest energy users within a home, whose energy use has increased significantly in recent years, or for which there has been a significant technical advancement. Examples of these situations are provided below.

Firstly, the growing energy use of consumer electronics in homes is of concern to the Appliance Committee, and we recommend that the FTC consider expanding the label to cover the largest

energy users in this group, such as televisions. According to the Natural Resources Defense Council, televisions themselves currently account for 4 percent of residential energy use and there large-screen models can use up to 500 kWh annually. The 2001 Residential Energy Consumption Survey (RECS) administered by the Energy Information Administration found that 99 percent of all homes have at least one television, with 35 percent having two, 22 percent having three, and 10 percent having four televisions. The growing number of these products is not the only issue, however. The 2001 RECS also found that 34 percent of households had “large-screen” televisions, an item that was rare or nonexistent in 1978 when the RECS was first fielded. In summary, the Committee believes that new technologies and larger sizes of televisions that are currently offered on the market argue for their inclusion within the scope of the Appliance Labeling Rule

The Committee acknowledges that the current federal test procedure for televisions assumes black and white technology, which is an obvious limitation to the FTC proceeding in the short term with this recommendation. However, the group would like to make the FTC aware of an effort to develop a test procedure for other technologies in which CEE-member Natural Resources Defense Council is involved. The test procedure development should be finalized in advance of this rulemaking, a timeline which enables the FTC’s active consideration of this issue.

Secondly, recent technical advances for holiday lights (e.g., the move from incandescent toward light emitting diode, LED, technology) have demonstrated that wide differences in energy use between technologies can arise over time that would warrant reconsideration of a product category by FTC. According to Washington State University’s Energy Program, LED holiday lights use 0.04 watts per bulb; incandescent mini-lights use ten times more energy and standard (C-7) bulbs use 100 times more energy. To an average consumer, lighting 500 bulbs for 5 hours/day over 30 days, the average cost of the LED lights is only \$0.19, in comparison with \$18.90 for C-7 bulbs. The example illustrates that new technologies can dramatically change the energy consumption required to render a service in the home (in this case, lighting the home for holidays). As such, the Commission should consider instituting a semi-annual process to review technological advancements and modify the scope of labeling accordingly.

Format of the EnergyGuide

In the November 2 ANOPR, the FTC also asked for public comments regarding whether the format of the EnergyGuide should be modified from a continuous to a categorical scale. The Committee has reviewed the 2002 ACEEE Summary Paper referenced in the ANOPR and believes that a categorical label holds promise. However, the group recommends that the FTC further study the issue before making a decision on the matter.

Specifically, we are concerned about the potential adverse impact of a categorical label on the voluntary energy efficiency programs CEE members administer. We is not aware of any research that describes the impact of a categorical label, tied to an endorsement label such as ENERGY STAR, on voluntary market transformation programs and recommends that the FTC research this question and carefully consider it in the decision-making process. We are concerned about potential friction between a categorical label (that implicitly directs consumers toward more stars) and the ENERGY STAR label (that directs consumers to look for the mark on efficient

products). **In short, we urge the FTC not to proceed upon a course that could be damaging to either the ENERGY STAR program or their ongoing efforts to promote increased energy efficiency of appliances.**

Again, thank you for the opportunity to comment on the ANOPR and looks forward to participating in the review process as it proceeds. Please contact CEE Senior Program Manager Rebecca Foster at 617-589-3949 ext. 207 with any questions about these comments.

Sincerely,

Marc Hoffman,
Executive Director

Supporting Organizations

BC Hydro
Energy Trust of Oregon
Long Island Power Authority
National Grid
New York State Energy Research and Development Authority
Northwest Energy Efficiency Alliance
NSTAR
PacifiCorp
Sacramento Municipal Utility District
Seattle City Light
Wisconsin Division of Energy